State Revolving Fund Loan Programs

Drinking Water, Wastewater, Nonpoint Source

ENVIRONMENTAL ASSESSMENT AND FINDING OF NO SIGNIFICANT IMPACT

NORTH DEARBORN WATER CORPORATION

PRELIMINARY ENGINEERING REPORT
ELEVATED STORAGE TANK PROJECT
SRF # DW09551501

DATE: June 23, 2009

TARGET PROJECT APPROVAL DATE: July 25, 2009

I. INTRODUCTION

The above entity has applied to the Drinking Water State Revolving Loan Fund (SRF) for a loan to finance all or part of the wastewater project described in the accompanying Environmental Assessment (EA). As part of facilities planning requirements, an environmental review has been completed which addresses the project's impacts on the natural and human environment. This review is summarized in the attached EA.

II. PRELIMINARY FINDING OF NO SIGNIFICANT IMPACT (FNSI)

The SRF Drinking Water Program has evaluated all pertinent environmental information regarding the proposed project and determined that an Environmental Impact Statement is not necessary. Subject to responses received during the 30-day public comment period, and pursuant to Indiana Code 4-4-11, it is our preliminary finding that the construction and operation of the proposed facilities will result in no significant adverse environmental impact. In the absence of significant comments, the attached EA shall serve as the final environmental document.

III. COMMENTS

All interested parties may comment upon the EA/FNSI. Comments must be received at the address below by the deadline date above. Significant comments may prompt a reevaluation of the preliminary FNSI; if appropriate, a new FNSI will be issued for another 30-day public comment period. A final decision to proceed, or not to proceed, with the proposed project shall be effected by finalizing, or not finalizing, the FNSI as appropriate. Comments regarding this document should be sent within 30 days to:

Amy Henninger
Senior Environmental Manager
State Revolving Fund -- IGCN 1275
100 N. Senate Ave.
Indianapolis, IN 46204
317-232-6566

ENVIRONMENTAL ASSESSMENT

I. PROJECT IDENTIFICATION

Project Name and Address:	North Dearborn Water Corporation 7484 Christina Drive, Suite 103 West Harrison, IN 47060
SRF Project Number:	DW 09 55 15 01
Authorized Representative:	Steward Cline, Board President

II. PROJECT LOCATION

The proposed water main replacement across Interstate 74 along St. Peters Road is located in Jackson Township, Dearborn County, Section 7, Range 2 West, Township 7 North (See Spades, IN USGS Quadrangle).

The proposed new water tank is located on the southwest corner of the N. Dearborn Rd. and Ester Ridge Rd. intersection. The new water mains are proposed along Schantz, Gutapfel, and Miller Roads. The tank and water mains are located in Jackson Township, Dearborn County, Range 2 West, Township 7 North; Section 17-20 & 29-32 (Exhibit 1).

III. PROJECT NEED AND PURPOSE

The existing water main crossing I-74 at St. Peters Road is an insulated 6" pipe, suspended from the bridge over the interstate. This critical transmission line is at risk of freezing, as well as inadvertent or deliberative damage, due to the exposed nature of the pipe.

The proposed project will install an underground pipe across I-74. This will mitigate potential threats and help ensure proper transmission.

The distribution system of the North Dearborn Water Corporation (NDWC) continues to experience problems related to low pressure, particularly in service areas south of I-74. During the peak periods of summer months, the 75,000 gallon New Alsace elevated water storage tank is unable to completely fill because of hydraulic elevation differentials, contributing to low pressure issues in the southern portion of the distribution system.

The proposed project will construct a 500,000 gallon elevate water storage tank to replace the New Alsace tank. In addition, larger water mains will be installed in central portions of the southern distribution system. The combination of enhanced storage and increased water main capacity will improve deficiencies in flow capacity and storage for

the southern portion of the distribution system.

IV. PROJECT DESCRIPTION

A 500,000 gallon elevated water storage tower and approximately 23,000 LF of 8" PVC water main will be installed to improve storage and flow capacity.

A new 8" buried water main will replace an existing aerial 6" water main spanning I-74 along the St. Peters Road overpass.

V. ESTIMATED PROJECT COSTS, AFFORDABILITY AND FUNDING

A. Selected Plan Estimated Cost Summary

Construction Costs

Storage Tank and Associated Water Mains		
500,000 Gallon Elevated Water Storage Tank	$	850,000
Tank Site Work and Yard Piping		67,000
23,000 LF of 8" PVC Water Main		287,500
15 Gate Valves		12,750
Fittings		15,000
5 Fire Hydrants with Auxiliary Gate Valve		12,500
I-74 Water Main		
Bore and Casing	$	60,000
1,200 LF of 8" Water Main		18,000
4 Gate Valves		6,000
Fittings		6,000
Fire Hydrant with Auxiliary Gate Valve		2,500
Construction subtotal		1,337,250
Contingency		100,000
Total Construction Cost		**1,437,250**

Non-Construction Costs

Land and Rights-of-way Acquisition	$	30,000
Engineering Design, Bidding, and Contract Admin.		100,000
Engineering Planning		20,000
Geotechnical Engineering		7,000
Project Inspection		20,750
Bond Council		45,000
Rate Consultant		45,000
Legal		15,000
Non-Construction Cost		**282,750**
Total Estimated Project Cost		**$1, 720,000**

B. North Dearborn will finance the project with a 20-year loan of approximately $1,720,000 from the State Revolving Fund (SRF) Loan Program at an interest rate to be determined at the time

of loan closing. Monthly user rates and charges may need to be analyzed to determine if adjustments are required for loan repayment.

VI. Description of Evaluated Alternatives

Storage Tank and Associated Water Mains: The no-action alternative to the new storage and distribution system involves maintaining the current status quo. This will result in continued low pressure problems and insufficient storage capacity for the southern portion of the distribution system. The existing New Alsace storage tank will continue to operate and require the necessary repair and upkeep measures associated with an aging storage facility.

I-74 Water Main Replacement: The no-action alternative to the I-74 water main replacement would again entail maintaining the current status quo. The current 6" aerial pipe is in adequate condition, but the risks associated with freezing and damage will remain. The proposed underground 8" pipe will mitigate these risks, as well as increase flow capacity.

VII. Environmental Impacts of the Feasible Alternatives

A. Direct Impacts of Construction and Operation

Undisturbed/Disturbed Land: The elevated water storage tank will be constructed on undisturbed farmland. New water mains will be installed adjacent to existing roads in areas previously disturbed by road construction. An archaeological field reconnaissance survey has been completed for all project areas.

Structural Resources (Exhibit 2): The project will not affect historic sites or districts. Audible, atmospheric or visual effects of the projects will be temporary. The SRF's finding pursuant to Section 106 of the National Historic Preservation Act is: "no historic properties affected."

Surface Waters and Wetlands (Exhibit 3a and 3b): The project will not affect wetlands. The project includes the crossing of two ephemeral streams.

100-Year Floodplain (Exhibit 4a and 4b): The projects will not affect the 100-year floodplain.

Groundwater: The proposed project will not negatively affect a sole source aquifer or other groundwater resources. The groundwater table may be temporarily affected by water main installation.

Plants and Animals: The proposed project will not affect endangered plants or animals. The project will be implemented to minimize impact to non-endangered species and their habitat. Minor tree impacts are anticipated due to the installation of the water main.

Prime Farmland: The proposed project will cause a conversion of one acre of prime farmland.

Air Quality: Air quality will be temporarily impacted by construction activities, including vehicle exhaust and dust.

Open Space and Recreational Opportunities: The proposed project will neither create nor destroy open space and recreational opportunities.
The proposed projects will not affect National Natural Landmarks.

B. Indirect Impacts

The corporation's Preliminary Engineering Report (PER) states: *the North Dearborn Water Corporation, through the authority of its Board of Directors, will ensure that future development connecting to SRF-funded facilities will not adversely impact archaeological/ historical/ structural resources. The Water Corporation will require new development and treatment works projects to be constructed within the guidelines of the U.S. Fish and Wildlife Service, IDNR, IDEM and other environmental review authorities.*

C. Comments from Environmental Review Authorities

This document serves as the first notice to the U.S. Fish and Wildlife Service, The Indiana Department of Natural Resources Division of Historic Preservation and Archaeology, and the IDNR Environmental Unit.

The Natural Resources Conservation Service, in correspondence dated March 18, 2009, stated that "*The proposed project to construct a new 500,000 gallon elevated water storage tank, installation of approximately 23,000 linear feet of new water main and replacement of one water main segment in Dearborn County, Indiana, as stated in your letter dated May 13, 2009 will cause a conversion of prime farmland.*" Supplemental information shows that one acre of prime farmland will be converted due to this project.

VIII. Mitigation Measures

The corporation's PER states: *Precautions shall be taken during construction to prevent erosion and sediment transport. Efforts shall be made during construction to minimize disturbance of the creek/ wetland areas. Project plans shall include requirements for construction sequencing and both temporary and permanent erosion control measures. All disturbed areas shall be re-vegetated or permanently stabilized by other means of landscaping. All vegetated land shall be permanently seeded and maintained as necessary until vegetation growth is established.*
A Rule 5 permit is required through the IDEM for Construction/ Stormwater Pollution Prevention. This plan shall be approved by the Dearborn County Soil and Water Conservation District and recommend for approval to IDEM.

IX. Public Participation

A properly noticed Public Hearing was held on April 13, 2009 at 7:00 pm at the North Dearborn Water Corporation offices. There were no written comments received by the utility during the 5-day period following the public hearing.

NORTH DEARBORN WATER CORPORATION
WATER DISTRIBUTION SYSTEM

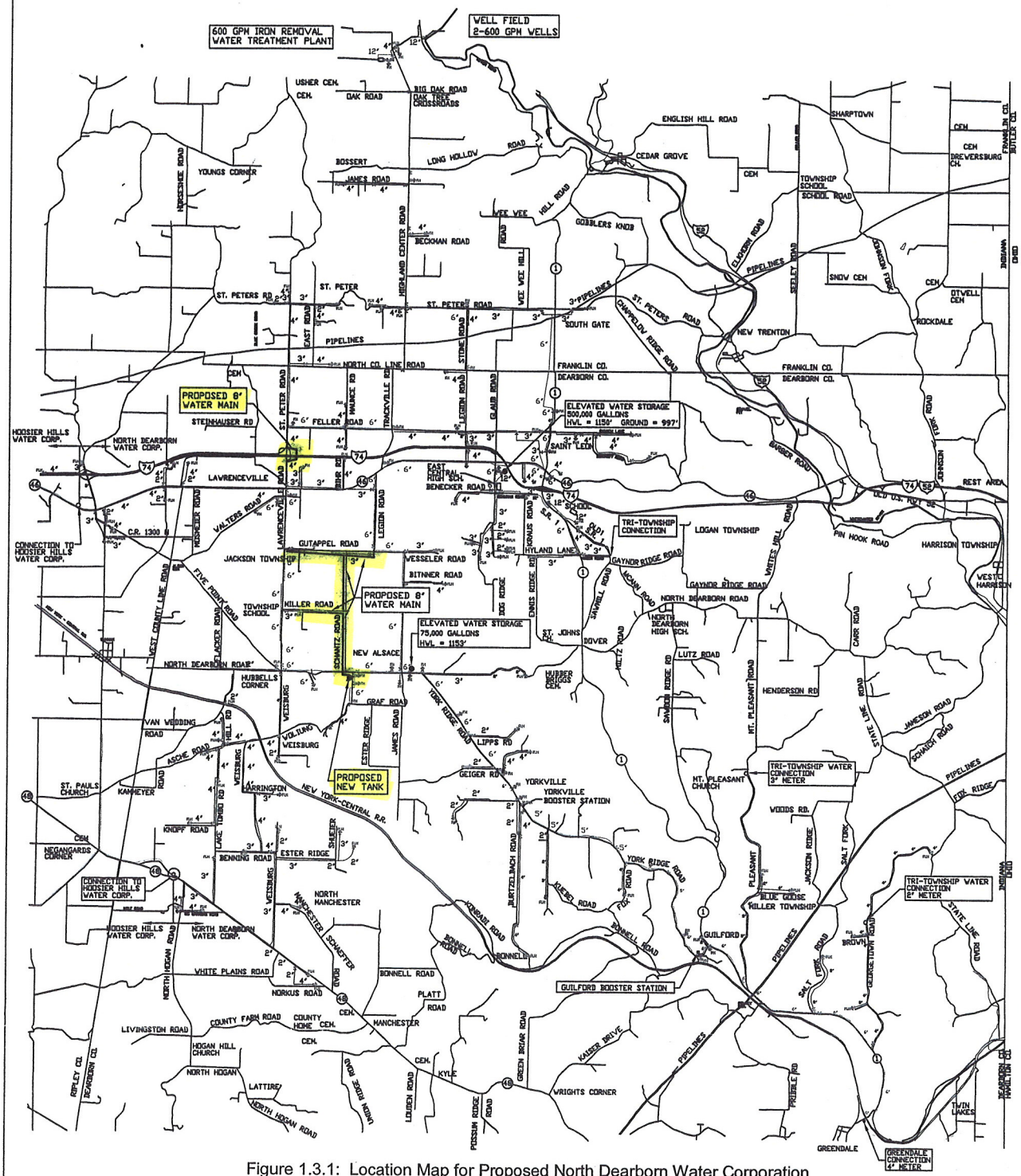

Figure 1.3.1: Location Map for Proposed North Dearborn Water Corporation Waterworks Improvements
(Revised 5/14/2009)

LEGEND

- 2" WATER MAIN
- 3" WATER MAIN
- 4" WATER MAIN
- 5" WATER MAIN
- 6" WATER MAIN
- 8" WATER MAIN
- 10" WATER MAIN
- 12" WATER MAIN
- FLH = FLUSH HYDRANT
- FH = FIRE HYDRANT

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EXHIBIT A

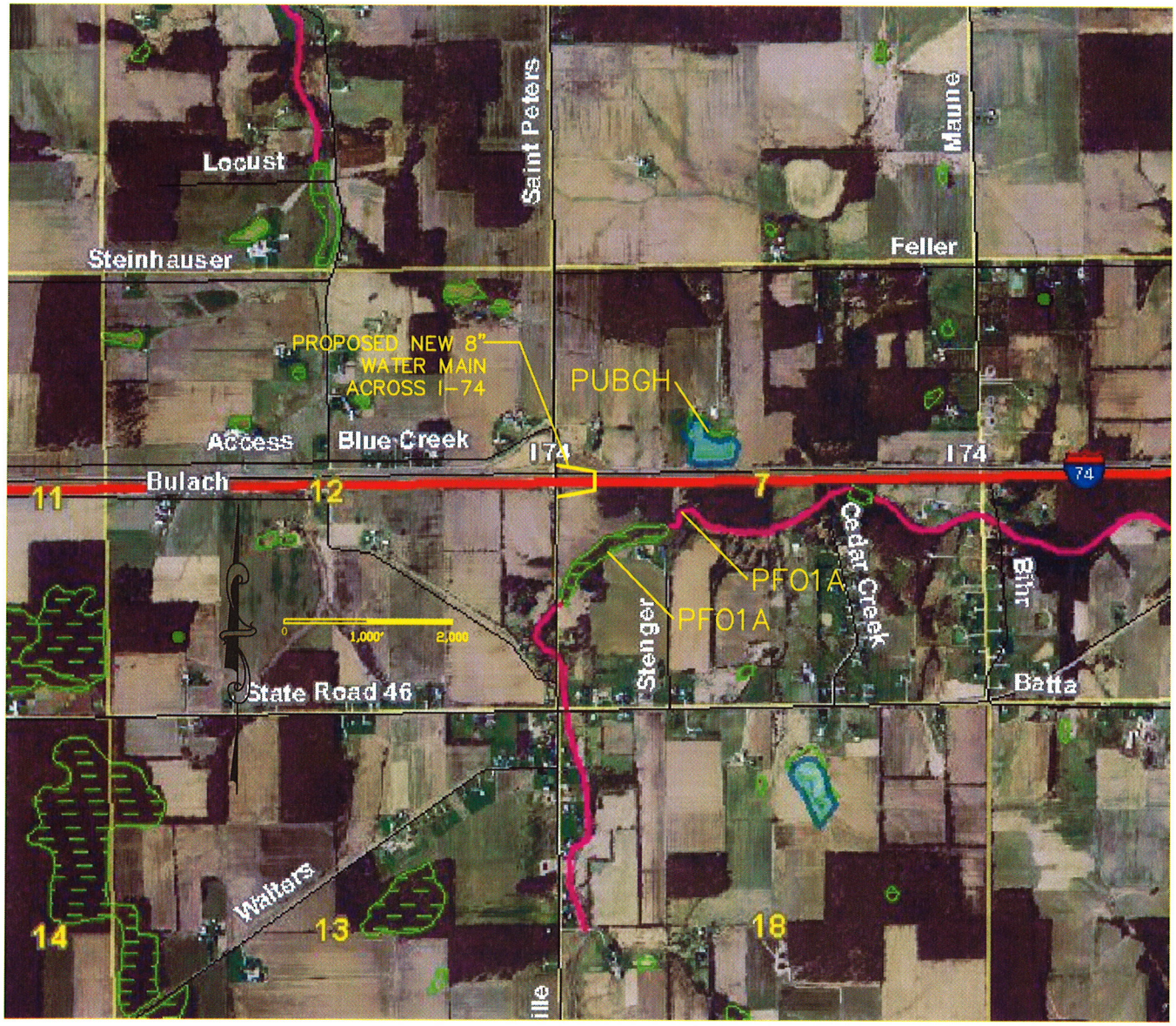


Figure 5.3.2 Wetland Map for
Proposed Water Main Replacement Across I-74

Source: Indiana GIS Website
http://129.79.145.7/arcims/statewide_mxd/index.html

Exhibit 3a

Wetland Area

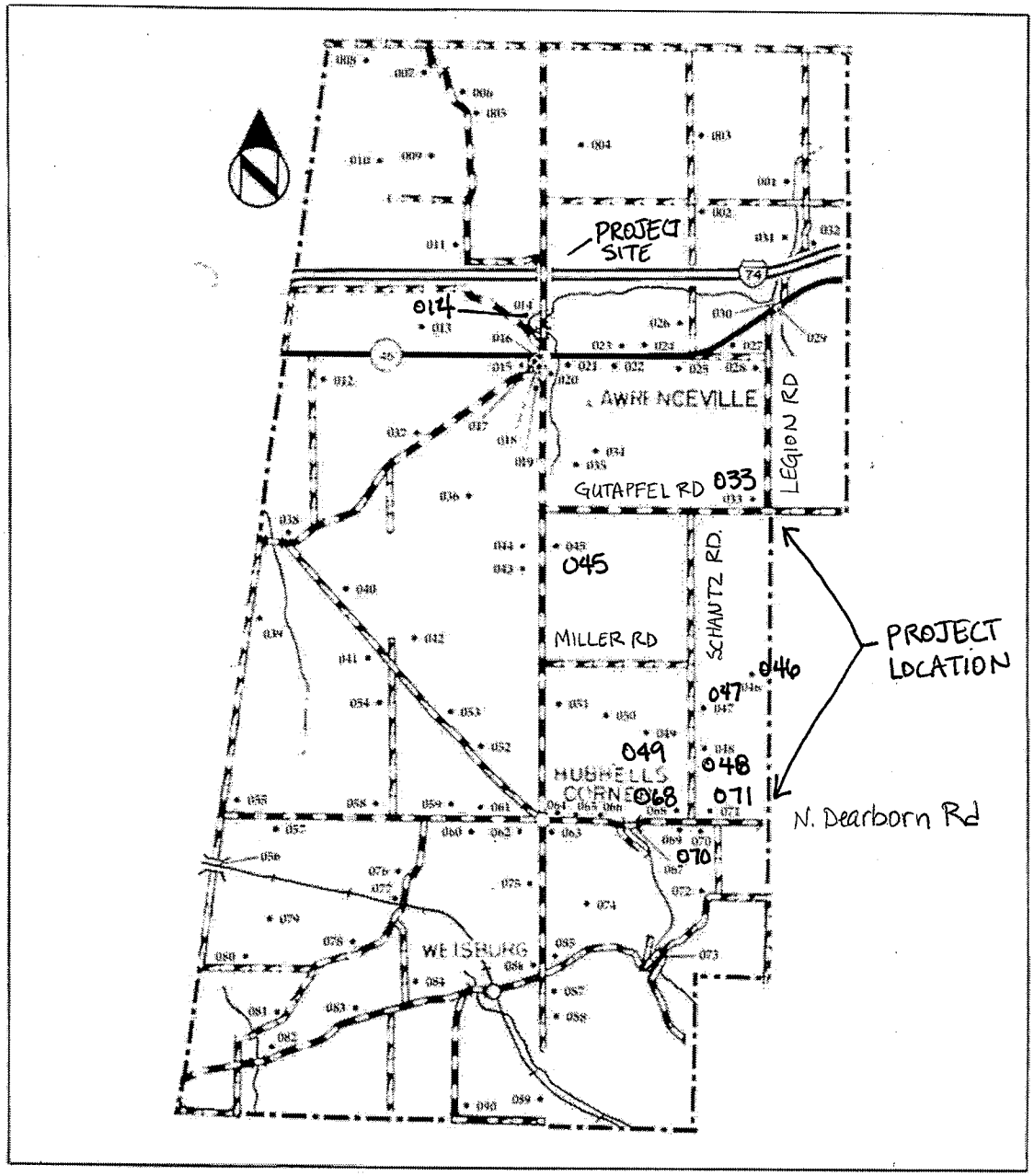
Exhibit 3b

Wetland Area

Figure 5.3.1 Wetland Map for Proposed Water Mains & Tank Site

Source: Indiana GIS Website
http://129.79.145.7/arcims/statewide_mxd/index.html

Jackson Township (15001-090)



No.	Rtg.	Description
001	N	**M. Sterwald Farm,** Trackville Road; Greek Revival, c.1860; Architecture (602)
002	C	**District School No. 3,** Maline Road; Federal, c.1865; Architecture, Education (602)
003	C	**J. Kintzler Farm,** Maline Road; Greek Revival, c.1860; Architecture (602)
004	N	**Jacob Tebble Farm,** St. Peters Road; Federal/Italianate, c.1840/c.1875; Architecture (602)
005	N	**C.F. Minneman Farm,** Blue Creek Road; Greek Revival/Italianate, c.1870; Architecture (602)
006	C	**C. Holtzberger Farm,** Blue Creek Road; Carpenter-Builder, 1870; Architecture (602)
007	N	**St. Jacob Church & Cemetery,** Blue Creek Road; Italianate, 1884; Architecture, Religion (602)
008	C	**G.A. Mattenheimer Farm,** North County Line Road; Greek Revival, c.1850; Architecture (602)
009	C	**Farm,** Blue Creek Road; Greek Revival, c.1840; Architecture (602)
010	C	**Michael Hoff Farm,** Steinhauser Road; Greek Revival, 1840; Architecture (602)
011	C	**Chris Hoff Farm,** Blue Creek Road; Pioneer/Federal, c.1820/c.1850; Architecture (602)
012	N	**Peter Klein Farm,** Mosmeyer Road; Greek Revival/Italianate, c.1880; Architecture (602)
013	C	**Farm,** State Road 46; Pioneer/Greek Revival, c.1830/c.1860; Architecture, Vernacular/Construction (602)
014	C	**Michael Hoff Farm,** Bulach Drive; Carpenter-Builder, c.1870; Architecture (602)

Exhibit 2

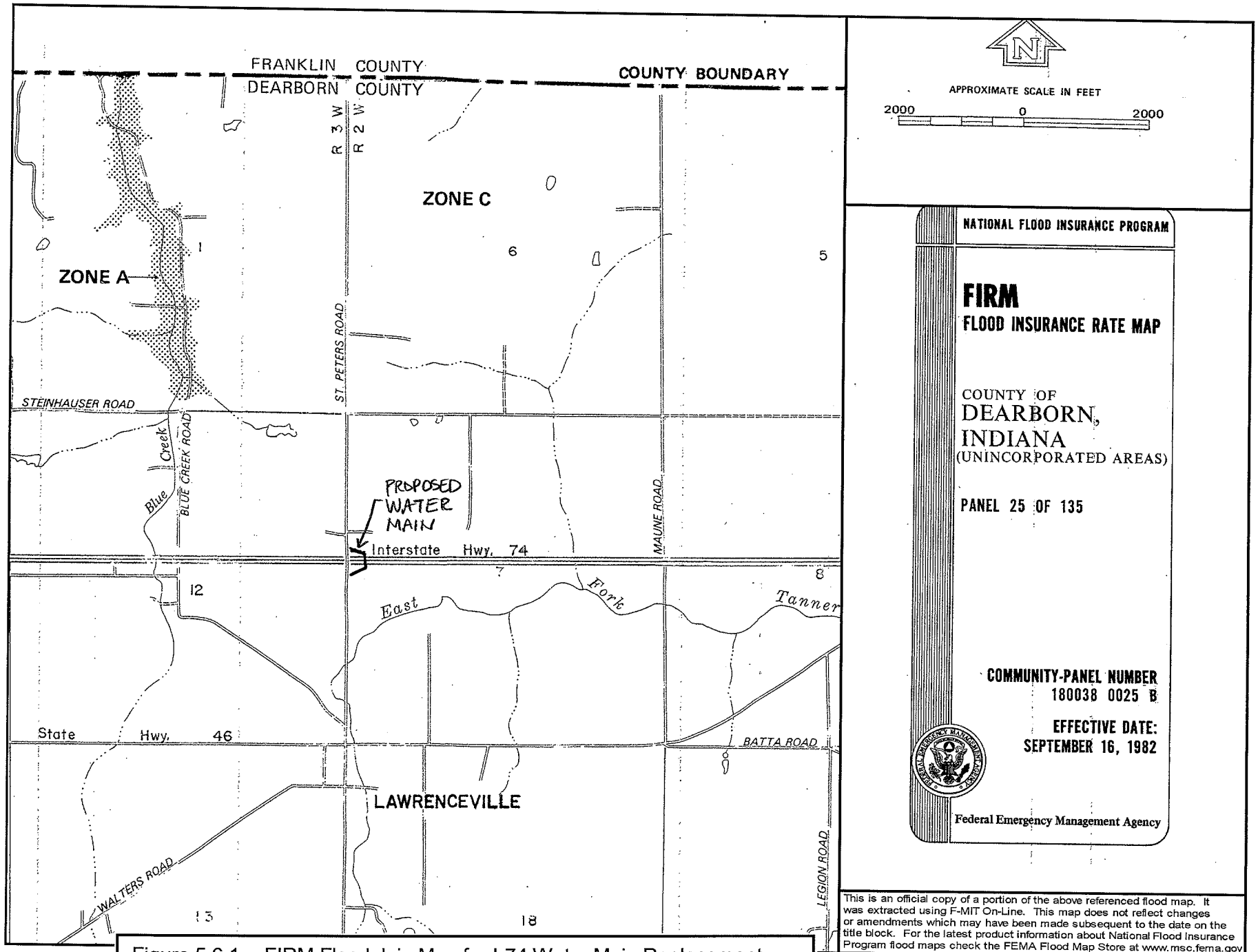


Figure 5.6.1 FIRM Floodplain Map for I-74 Water Main Replacement

Exhibit 4a

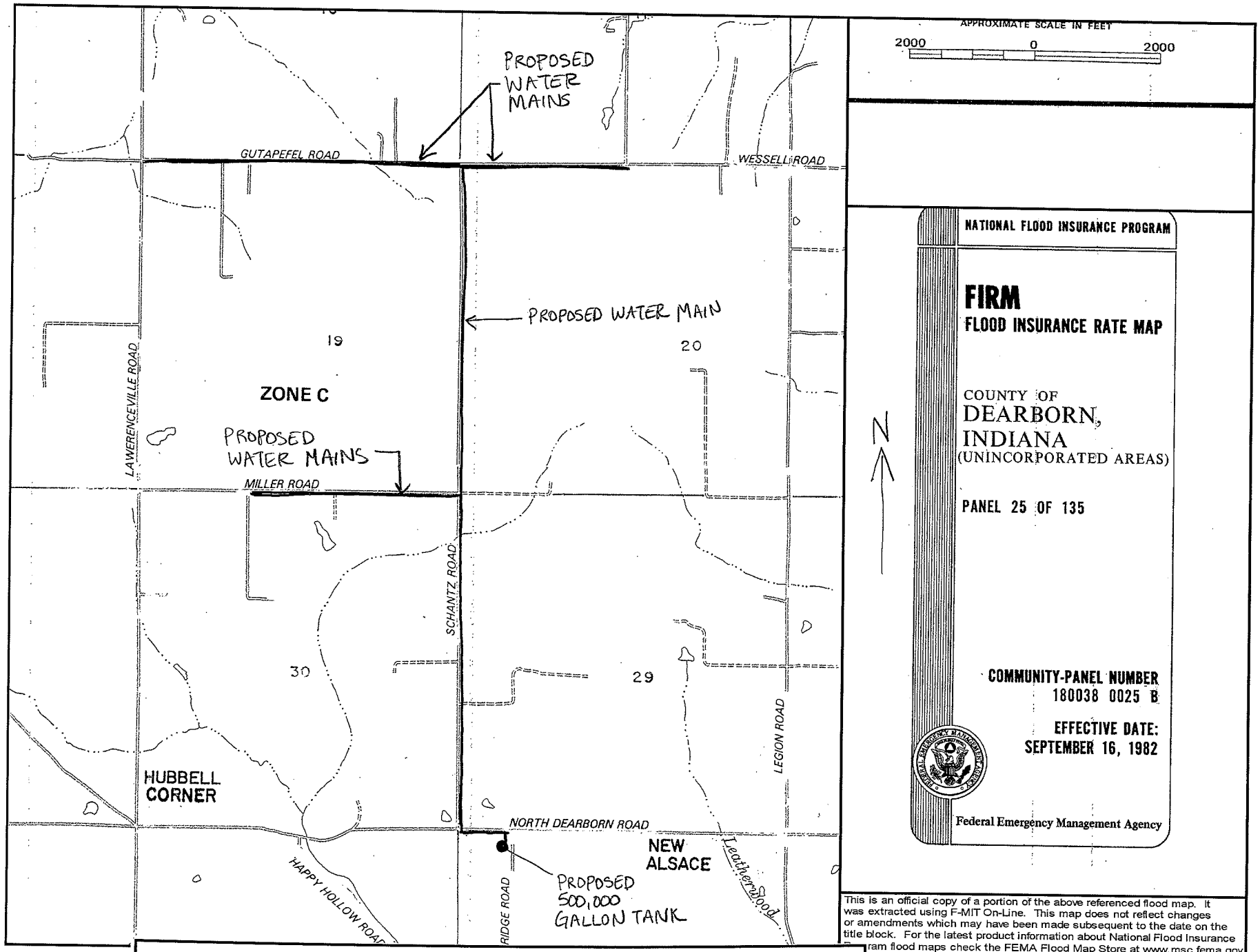


Figure 5.6.2 FIRM Floodplain Map Water Mains and 500,000 Gallon Tank

Exhibit 46